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## **USDA/DOJ public workshops on ag competition issues**

**By Agri-Pulse Staff**

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Agriculture Secretary Tom Vilsack and Attorney General Eric Holder announced August 5<sup>th</sup> that the U.S. Department of Agriculture (USDA) and the Department of Justice (DOJ) will hold joint public workshops in 2010 to explore competition issues affecting the agriculture industry. One key topic will be the appropriate role for antitrust and regulatory enforcement affecting agriculture, covering controversial issues such as vertical integration, the impact of agriculture concentration on food costs, and packer ownership of livestock before slaughter.

These first-ever USDA/DOJ workshops will address competition in agriculture markets including, among other issues, buyer power (also known as monopsony) and vertical integration. They will examine legal doctrines and jurisprudence and current economic learning, and will provide an opportunity for farmers, ranchers, consumer groups, processors, agribusiness, and other interested parties to provide examples of potentially anticompetitive conduct. The workshops will also provide an opportunity for discussion of concerns about the application of the antitrust laws to the agricultural industry.

“It is important to have a fair and competitive marketplace that benefits agriculture, rural economies and American consumers,” said Agriculture Secretary Vilsack. “The joint workshops between the Department of Justice and USDA will allow a dialogue on very important issues facing agriculture today.”

“Maintaining a robust agricultural sector is crucial to the strength of the American economy and to who we are as a nation,” said Attorney General Holder. “Through the dialogue established in these workshops and, ultimately through our actions, we are committed to ensuring that competition and regulatory actions benefit all American consumers and businesses.”

The first workshop will be held in early 2010. While some of the workshops may be held in Washington, D.C., others will be held regionally. DOJ and USDA are soliciting public comments from lawyers, economists, agribusiness, consumer groups, academics, agricultural producers, agricultural cooperatives, and other interested parties.

“For the first time ever, farmers, ranchers, consumers groups, agribusinesses and the federal government will openly discuss legal and economic issues associated with

competition in the agriculture industry,” said Christine A. Varney, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “This is an important step forward in determining the best course of action to address the unique competition issues in agriculture.”

USDA and DOJ are seeking comments on the application of antitrust laws to monopsony and vertical integration in the agricultural sector including, the scope, functionality, and limits of current or potential rules. The two departments are also inviting input on additional topics that might be discussed at the workshops, including:

- the impact of agriculture concentration on food costs,
- the effect of agricultural regulatory statutes or other applicable laws and programs on competition,
- issues relating to patent and intellectual property affecting agricultural marketing or production, and,
- market practices such as price spreads, forward contracts, packer ownership of livestock before slaughter, market transparency, and increasing retailer concentration.

The public and press are invited to attend the hearings. Additional information about the date, time and location of the workshops will be provided later. Interested parties should submit written comments in both paper and electronic form to the Department of Justice no later than Dec. 31, 2009. All comments received will be publicly posted. Two paper copies should be addressed to the Legal Policy Section, Antitrust Division, U.S. Department of Justice, 450 5th Street, N.W., Suite 11700, Washington, D.C. 20001. The Department’s Antitrust Division is requesting that the paper copies of each comment be sent by courier or overnight service, if possible. The electronic version of each comment should be submitted to [agriculturalworkshops@usdoj.gov](mailto:agriculturalworkshops@usdoj.gov). Detailed agendas and schedules for the workshops will be made available on the Antitrust Division’s web site at [www.usdoj.gov/atr](http://www.usdoj.gov/atr)